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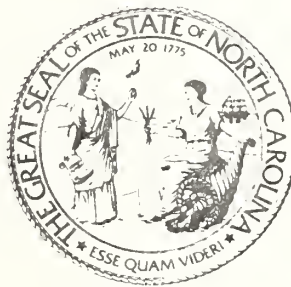
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## PUPIL TRANSPORTATION



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**REPORT TO THE  
1981 GENERAL ASSEMBLY  
OF NORTH CAROLINA**

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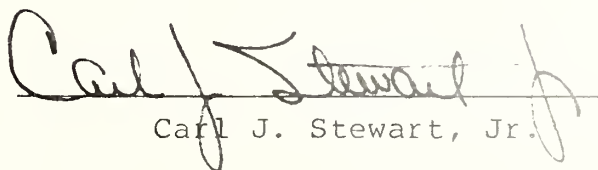
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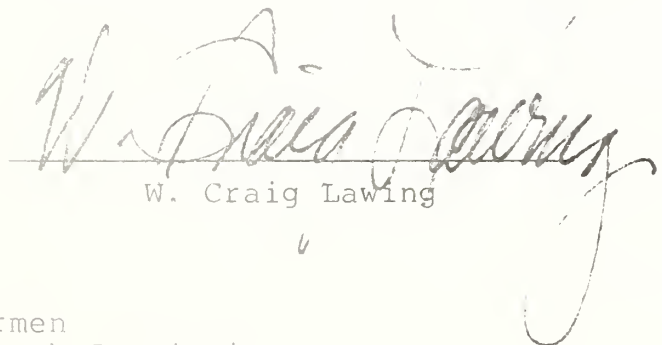
TO THE MEMBERS OF THE 1981 GENERAL ASSEMBLY:

The Legislative Research Commission herewith reports to the 1981 General Assembly on the matter of the costs, operation, and management of the State's program of pupil transportation. The report is made pursuant to Section 7 of 1979 Session Laws Chapter 1212.

This report was prepared by the Legislative Research Commission's Pupil Transportation Study Committee and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,

  
Carl J. Stewart, Jr.

  
W. Craig Lawing

Cochairmen  
Legislative Research Commission



## TABLE OF CONTENTS

|  |                   |
|--|-------------------|
| INTRODUCTION   | <u>Pages</u><br>1 |
| I. COMMITTEE PROCEEDINGS   | 2                 |
| II. FINDINGS   | 3                 |
| A. Cost  | 4                 |
| (1) Problems in Identifying Cost   | 5                 |
| (2) Local Governments' Share of Transportation Cost  | 7                 |
| (3) Contract Transportation  | 8                 |
| B. Operation   | 16                |
| C. Management  | 19                |
| D. Proposed Solutions  | 21                |
| III. COMMITTEE ACTION  | 22                |
| IV. RECOMMENDATIONS  | 23                |
| V. APPENDICES  | 26                |
| A-1. Legislative Research Commission Members   | A-1               |
| A-2. Pupil Transportation Committee Members  | A-2               |
| B. Senate Bill 1005, Ch. 1212, 1979 Session (2nd Session, 1980)  | B-1               |
| C. Summary of Pupil Transportation Law   | C-1               |
| D-1. Line Items for Budget and Actual Expenditures for Pupil Transportation                            | D-1               |
| D-2. Table of Pupil Transportation Cost 1975 to 1980   | D-2               |
| E. Summary of Public Hearing Held, November 25, 1980   | E-1               |
| F. Summary of Other Remarks to the Committee   | F-1               |
| G. Compilation of Recommendations to the Committee   | G-1               |
| H. Proposed Legislation to Extend Criteria for School Bus Purchases in Lieu of Contract Transportation | H-1               |
| I. Proposed Rewrite of Article 22 of Chapter 115   | I-1               |
| J. Proposal for a Pupil Transportation Program, Rep. Josephus L. Mavretic                              | J-1               |
| K. List of Presenters  | K-1               |

## INTRODUCTION

The Legislative Research Commission, created by Article 6B of Chapter 120 of the General Statutes, is authorized pursuant to the direction of the General Assembly "to make or cause to be made such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" and "to report to the General Assembly the results of the studies made," which reports "may be accompanied by the recommendations of the Commission and bills suggested to effectuate the recommendations." G.S. 120-30.17. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and consists of five Representatives and five Senators, who are appointed respectively by the Cochairmen. G.S. 120-30.10(a).

Pursuant to G.S. 120-30.10(b) and (c), the Commission Cochairmen appointed committees consisting of legislators and public members to conduct the studies authorized by the 1979 General Assembly. Each member of the Legislative Research Commission was delegated the responsibility of overseeing the progress of one or more studies and causing the findings and recommendations of the various study committees to be reported to the Commission. In addition, one Senator and one Representative from each committee were designated Cochairmen. (See Appendix A-1 for a list of Legislative Research Commission members, and Appendix A-2 for a list of the Pupil Transportation Committee members.)

Section 7(b) of Ratified Senate Bill 1005, enacted as Chapter 1212 of the 1979 Session Laws (Second Session, 1980) directed the Legislative Research Commission to "study the costs, operation, and management of the State's program of pupil transportation." (See Appendix B.)

A summary of the Pupil Transportation Law is included as Appendix C.

### I. COMMITTEE PROCEEDINGS

The Pupil Transportation Committee held six meetings from November 13, 1980, to January 6, 1981. Copies of the minutes of the Committee meetings, and other materials which form the basis of this report can be obtained from the Legislative Library.

A public hearing was held November 25, 1980, to solicit responses to questions which the committees felt had a significant bearing on the subject matter of this study. The public hearing is summarized in Appendix E.

The Committee investigated a wide range of issues which deal with the cost, operation, and management of the State's system of pupil transportation. Interested parties from the State Board of Education and from local boards of education, the State Auditor's Department, the Department of Education, Office of State Budget, the Department of Transportation, and others presented the Committee with valuable information on the problems facing the pupil transportation system, and proposed numerous solutions to those problems. (See Appendix K for list of presenters.) The



Department of the State Auditor, at the request of the Fiscal Research Division, prepared an operational audit of the school pupil transportation system dated November 1980. That report forms the basis for a great deal of the findings of facts of the Committee.

## II. FINDINGS

From the start and throughout the Committee's deliberations the point was made that generally local school units are delegated complete authority for operation and management of the school bus program, but that the State funds the major portion of the cost of school bus operations. G.S. 185-181(f) requires the State Board of Education to allocate to the local boards of education all funds appropriated by the General Assembly for pupil transportation. Furthermore, funds are to be allocated:

...in accordance with the number of pupils to be transported, the length of bus routes, road conditions and all other circumstances affecting the cost of the transportation of pupils...according to the needs of the respective county and city administrative units and so as to provide the most efficient use of such funds.

This total control over the management and the operation of the system by local education authorities (LEAs) poses a problem. If expenses exceed the funds allocated, the LEA simply requests additional funds from the State to keep the buses running because of the apparent statutorily authorized "open ended funding." In effect, the State Auditor notes, "the local units have no incentive to operate efficiently because they have a 'blank



check' to spend whatever is needed to operate their systems as they consider necessary." (See Page 20, Department of State Auditor Operational Audit, School Pupil Transportation System, November 1980.)

In addition to learning that there has been a dramatic rise in the cost of pupil transportation over the years and that the funding method creates no incentive for LEAs to be economical, the Committee also learned that the authority is so fragmented that it creates a substantial management problem. For example, there is no uniform maintenance schedule; and each LEA may adopt different policies for repairing and purchasing parts.

#### A. Cost

The cost of the Pupil Transportation Program of the State is borne almost entirely by the State through appropriations by the General Assembly to the State Board of Education for allocation to the local education agencies (LEAs). State funds are used to purchase bus replacements; and to pay for maintenance, insurance, and operating costs of buses and service vehicles. The operating costs for buses and service vehicles include salaries of drivers, mechanics, and cost clerks. The Department of State Auditor's operational audit of the School Pupil Transportation System highlighted the budgeted amounts and the actual expenditures and receipts for the 1979-80 fiscal year. The audit shows that a total of \$62,422,986.00 was appropriated for transportation but the actual expenditures and receipts amounted to \$73,792,326.59. The budget for the 1980-81 fiscal year as of 9/26/80 is

\$87,303,469.00. The various line items constituting these amounts are summarized at page 37 of the Auditor's report which is found at Appendix D-1.

#### 1. Problems in Identifying Cost

According to the Auditor's reports and information supplied to the Committee by the Fiscal Research Division, the figures presented are only "approximate". They represent the total cost reported by the State Board of Education. There are several other cost items directly related to pupil transportation which are excluded from the reports.

Among the major items not reported are:

(1) The cost of the statutorily required training of bus drivers. This service is provided by the Department of Motor Vehicles at an annual cost of approximately \$2,000,000.00.

(2) Tort claims settlement on school bus related accident. Claims are paid from funds appropriated to the Attorney General's Office in lieu of commercial insurance coverage. It is estimated that over \$1,000,000.00 in claims were paid during 1979-80 school year.

(3) The salaries of property and cost clerks. This figure amounts to approximately \$1,400,000.00 annually.

(4) The matching contributions for social security and retirement paid in for mechanics and cost clerks. In the Department of Education's budget these contributions are charged to a separate line item. It is estimated that these funds amount to \$1,500,000.00 annually.

(5) The Pupil Injury Fund. This fund pays out about \$30,000.00 annually in claims.

A list of other cost items related to pupil transportation not reported can be found on pages 23 and 24 of the Auditor's report.

The Fiscal Research Division also notes that while the amounts of the State funds reported represent the majority of the cost,

"a complete picture of State funds spent on school transportation is not available." The Division projects that the cost may run as high as \$79.8 million in the 1981-82 fiscal year and \$94.9 million in the 1982-83 fiscal year. These figures are based on the State Board of Education 1981-83 budget requests.

The operating expenses for school transportation rose rapidly in 1979-80 from \$50.4 million to \$60.4 million during the year, (excluding salary increases). This increase necessitated a transfer of funds from teachers' salaries to cover the unbudgeted increases in February, 1980. At the end of the fiscal year, potential reversions from numerous other budget lines were used to offset expenditures. Fiscal Research points out that the overall one-year increase for pupil transportation was approximately \$12.0 million or 25 percent in the 1979-80 fiscal year alone. Further, in the 1980-81 fiscal year, a \$17.5 million budget transfer was made to the transportation budget from a \$35.0 million for all of State government.

While the 1979-80 expenditures reflect the sharpest one-year rise, according to the Fiscal Research Division, costs for pupil transportation has been rising steadily. An examination of the 1975-76 through 1979-80 expenditures and the 1980-81 budget reveals a nearly 119 percent increase in operating costs, and about a 310 percent increase in the expenditure for school buses. Gasoline, oil, grease and repair parts during the same five-year period registered a \$20.8 million or 223 percent increase. Contract transportation has contributed substantially to the overall increase in cost of pupil transportation. It is

discussed below as a separate section. The Fiscal Research Division has summarized school transportation costs over a five-year period from fiscal year 1975-76 to fiscal year 1980-81. This information appears as a table in Appendix D-2.

The overall transportation expenditures reported by the local units ranged widely. The average per pupil expenditures for regular transportation was \$84.36 statewide in 1979-80. The Auditor's report and information supplied to the Committee by the Fiscal Research Division reveal there was an actual cash cost ranging from a high of \$170.79 to a low of \$49.35 in per pupil expenditures for regular pupils. (See page 11, Auditor's Report). On a regional basis the Mountain counties had lower costs than the Piedmont and Eastern counties.

## 2. Local Governments' Share of Transportation Cost

The transportation expenditures discussed thus far exclude the amounts of funds contributed by local governments for pupil transportation. In the 1977-78 fiscal year, local funds expended for pupil transportation were \$3,318,245 and in the 1978-79 fiscal year the expenditures were \$4,035,111. These are the two most recent years for which figures are available. These figures represent an additional six to seven percent of the total State funds.

Local funds are spent for the purchase of the first buses and furnishing garages and storage facilities. They may also be used to supplement drivers' salaries, furnish bus monitors, and safety assistants. The statutory authority for such expenditures are

generally outlined in G.S. 115-185, and G.S. 115-188. (See summary of the pupil transportation law of North Carolina, Appendix C.)

### 3. Contract Transportation

One expense item involved in the cost of operating the pupil transportation system is the allotment for contract transportation services. The law which permits contract transportation is found in G.S. 115-190 of the General Statutes. That section authorized local boards of education to "...enter into a contract with any person, firm or corporation for the transportation...of pupils enrolled in the public schools...."

The State Board of Education's Division of Transportation uses three types of contract transportation. The first is the city contracts whereby some city school systems contract with commercial bus lines to transport eligible students instead of building their own bus fleets. According to Mr. William F. Tillett of the State Board of Education's Division of Transportation there are five city school systems which are currently using this type of contract transportation.

The second type of contract transportation is "Exceptional Children." The State Board of Education by regulation permits children with special needs to be transported by "public school bus, special vehicles..., fares with commercial carriers or contracts with other persons or firms." (See page 12, Auditor's Report.)



The third type of contract is known as an "isolated contract." This is used in those instances where local school units deem it less economical to provide the student with a school bus ride than to contract for the service.

Allotments for contracted transportation services have historically been made to cover the cost incurred. Contract transportation serves both regular children and children with special needs. Because of this, it impacts on the total cost of pupil transportation in a variety of ways. There is no uniformity in cost; classification of children as exceptional necessitates the creation of special transportation services; and local boards of education have not yet identified all children with special needs, so costs may have to be modified as identifications are made.

The cost of transportation varies from unit to unit. Indeed, the Auditor's report points out that "...there is a wide variance in the number of children, total cost, and cost per child among the various units." In several units contracts are non-existing, while the largest user of contracted transportation spent about \$850,000.00 for the fiscal year 1979-80. (See page 25, Auditor's Report).

Another aspect of contract transportation as it impacts on pupil transportation cost is the classification of "children with special needs." The definition of children with special needs is found in G.S. 115-366 of the General Statutes. That definition reads:

§ 115-366. Definition of children with special needs.--The



term "children with special needs" includes, without limitation, all children between the ages of five and 18 who because of permanent or temporary mental, physical or emotional handicaps need special education, are unable to have all their needs met in a regular class without special education or related services, or are unable to be adequately educated in the public schools. It includes those who are mentally retarded, epileptic, learning disabled, cerebral palsied, seriously emotionally disturbed, orthopedically impaired, autistic, multiply handicapped, pregnant, hearing-impaired, speech-impaired, blind or visually impaired, genetically impaired, and gifted and talented. (1977, c. 927, s.1.)

An important provision of this definition is that it includes not only the mentally and physically handicapped but also the "gifted and talented" students. While some exceptional students are unable to ride the regular school buses because they require special equipment (such as wheelchair lifts), many students, especially the gifted and talented, are able to ride the regular buses but do not. Thus, special transportation services must be implemented. (See page 25, Auditor's Report.)

According to the Auditor's Report, the gifted and talented students represent the largest group of students classified as "children with special needs." The report shows a total of 55,205 gifted and talented among the 164,968 children with special needs. (See page 25, Auditor's Report.)

Local officials are responsible for identifying those pupils classified as exceptional and "for establishing programs to provide for their special needs, including transportation services." Depending upon individual circumstances, and depending upon the policies of local boards of education, special bus routes may be established, or transportation services may be contracted for with taxicab companies, parents, or others. Local officials also select the mode of contract transportation and

negotiate the cost for the services. These special arrangements inevitably impact upon total cost.

Information in the Auditor's Report, and that supplied to the Committee by the Fiscal Research Division suggest that the cost of contract transportation has increased dramatically in the past few years, and that it will continue to do so in the future. The Auditor notes that expenditures for contract transportation from the State Public School Fund total \$4,032,635.00 for fiscal year 1979-80 compared to \$3,080,955.00 for 1978-79 fiscal year. A breakdown by categories of contracts is reproduced below from the Auditor's report.

CONTRACT TRANSPORTATION\*  
1979-80

|  | <u>78-79</u> | <u>79-80</u> | Increase<br>(Decrease) |
|--|--------------|--------------|------------------------|
| 1. Average Number of Pupils<br>Transported Daily by<br>Contract:                     |              |              |                        |
| City Pupils  | 13,704       | 12,598       | (1,106)                |
| Exceptional Children   | 3,815        | 4,500        | 685                    |
| Isolated Contracts for<br>Regular Programs   | <u>11</u>    | <u>15</u>    | <u>4</u>               |
| Total Transported  | 17,530       | 17,113       | (417)                  |
| 2. Expenditures for Contract<br>Transportation from the<br>State Public School Fund: |              |              |                        |
| City Pupils  | \$1,135,948  | \$1,190,986  | \$ 55,038              |
| Exceptional Children   | 1,939,101    | 2,836,857    | 897,756                |
| Isolated Contracts for<br>Regular Programs   | <u>5,906</u> | <u>4,792</u> | <u>(1,114)</u>         |
| Total Expenditures   | \$3,080,955  | \$4,032,635  | \$951,680              |
| 3. Average Annual Cost Per   |              |              |                        |

Child for Contract  
Transportation:

|   |          |          |          |
|---|----------|----------|----------|
| City Pupils                               | \$ 82.89 | \$ 94.43 | \$ 11.65 |
| Exceptional Children                      | 508.28   | 630.41   | 122.13   |
| Isolated Contracts for<br>Regular Program | 536.90   | 319.47   | (217.43) |

\*Source: Page 54, Auditor's Report

Of the \$4,032,635.00 in total expenditure for contract transportation, approximately \$2.8 million was spent to transport 4,500 exceptional children, an average per pupil cost of \$630.41. As of the 1979-80 school year less than three percent of the identified exceptional children statewide are being transported by contract. According to the State Auditor, not all exceptional children have been identified. As these children are identified they will continue to contribute to the accelerating cost. The cost for transporting them went from \$1.9 million for fiscal year 1978-79 to \$2.8 million for fiscal year 1979-80, a 46 percent increase in one year.

Other reasons for the anticipated increases in cost are that:

- (1) "necessary allowable mileage" has recently been interpreted to mean two round trips from home to school rather than one trip;
- (2) an increase in mileage cost per child from 38¢/mile in 1979-80 to \$1.00/mile in 1980-81;
- (3) gasoline prices have risen dramatically; and
- (4) higher expenditures for bus purchases.

The Auditor's report reveals that "there is a wide variance in the number of children, total cost, and cost per child among the various units." As noted, several units have no contracts, while

the largest user of contract transportation spent about \$850,000 in 1979-80." The Auditor has pointed to some specific differences and questionable practices by local education agencies in letting contracts. These have contributed significantly to the rising cost of contract transportation. They include:

- Per-mile cost for transporting one child by private contractor varied from 12¢ to \$1.00.
- Private contractors transporting more than one student often received additional amounts, but not necessarily in logical increments.
- Mid-term changes in contract terms were made and retroactive contracts were signed.
- Payment for prior years services were paid from current allotments.
- Taxicab companies often contracted on a per-trip or per-day basis, charging up to \$44 per day for a single student and \$95 a day for a group. (In one LEA, total cost for taxicab contracts exceeded \$810,000, or almost 29% of the statewide total for all exceptional children contracts.)
- Compared to the annual average per-child cost of regular bus transportation of \$84, the average cost for transporting exceptional children was \$630, with one case amounting to \$5,100 for the school term.

The Transportation Division of the State Board of Education issues guidelines for contracted transportation services. However, the Division has very little authority to monitor

contracts. Thus, the questionable practices outlined go unchecked. (See Page 26, State Auditor's Report.)

Another cost item involved in contract transportation is the contractual arrangement between the Department of Human Resources and the State Board of Education, directed by G.S. 115-11.2 (b).

The section states that: "The General Assembly intends that the State Board of Education shall continue to provide for the transportation of autistic and communications-handicapped and deaf and blind children until June 30, 1976, at which time the Department of Human Resources shall assume the operational and fiscal responsibilities for such transportation." The Auditor points out that the Department of Human Resources fulfills "its responsibility by contracting with the State Board of Education to actually provide appropriate transportation services through the latter's subsidy of local school unit transportation systems." (See page 27, Auditor's Report.)

From the standpoint of cost, it was noted that the State Board of Education's Transportation Division received \$55,000 for fiscal year 1979-80 under the terms of the contract with Department of Human Resources. However, \$179,000 was actually spent in transporting the children involved. The problem here is that there is no matching of receipts between Department of Human Resources and local boards of education. Local boards in effect do not receive sufficient funds from Department of Human Resources to provide the mandated transportation, and must draw on resources which should be used to fund transportation for regular or other exceptional students. (See page 27, Auditor's



Report.)

Two other problems noted by the Auditor as stemming from the contractual arrangement between the Department of Human Resources and the State Board of Education are: (a) There is no apparent reason to assign the primary responsibility for transporting autistic children to Department of Human Resources, because local boards of education are the principal agencies regulating transportation of almost all exceptional children in the public schools; and (b) the arrangement creates needless administrative entanglements when the funds are appropriated to Department of Human Resources for the transportation of autistic children, and Department of Human Resources in turn sends the funds to the State Board of Education. These two problems, along with the failure to match receipts mentioned above, do impact significantly upon the total cost of contract transportation.

#### B. Operations

The law on school pupil transportation as presently written and interpreted denies the State any effective control over the operation of the transportation system. G.S. 115-181(a) clearly states that:

"The State Board of Education shall have no authority over or control of the transportation of pupils and employees upon any school bus owned and operated by any county or any city board of education...."

The school transportation program of the State has been defined as "144 separately operating local programs funded predominantly



with State funds." (See presentation by Hilda A. Highfill, Fiscal Analyst, Fiscal Research Division, November 13, 1980, page 9)

The State Board of Education issues rules and regulations but there is very little that it can do by way of enforcing those rules and regulations. Dr. Jerome Melton, Assistant Superintendent in remarks to the Committee notes that:

"...due to changes in State law back under the Pearsall Plan, and other revisions and conditions that have occurred, the State Board of Education really does not have the clear authority to run the public school transportation system of the State the way it operates the nine-month school; i.e., the way it controls and operates the text book program instructional materials and other elements of the public school programs."

Dr. Melton's remarks were made at the December 11, 1980, meeting of the Committee. Mr. Gene Causby, Executive Director of the North Carolina School Boards Association, emphasized the need to place the responsibility, authority and resources behind the school transportation system at the same level; and illustrated the confusion resulting from uncertainty regarding which level of government has which of these elements.

The Controller of the State Board of Education, Mr. James A. Porter, Jr., informed the Committee that "since 1955 when the Pearsall Act came into being, the Division of School Bus Transportation has been operating under severe handicaps." The S.B.E., Mr. Porter notes, has "had little control over the local operation of the school bus system."

To illustrate the problem, Mr. Porter pointed out that field representatives of the State Board of Education's Division of School Bus Transportation can assist with route planning, acquisition and maintenance of buses, or questions in connection with operations, only at the invitation of local school superintendents. The law does provide that, the S.B.E. is to advise local boards of education on the establishment and amendment of school bus routes, etc. However, the State Board can only advise "when requested so to do by any county or city board of education, but not otherwise...." G.S. 115-181(e). The Controller pointed out that one aspect of the pupil transportation operation in which the State Board of Education's Transportation Division has been of assistance to local boards is in routing. He noted that substantial savings have been realized when the Division has assisted with route planning. (See a Report to the Legislative Research Commission's Study Committee on Pupil Transportation, James A. Porter, Jr., Controller, N.C. State Board of Education, November 13, 1980. page 2)

The State Board of Education's Division of Transportation is called upon to perform numerous services relating to the operation of the pupil transportation system but its responsibility is limited to just that--performing services. It has twelve-member staff which:

1. recommends budget requests to the Controller;
2. recommends allotments and approves funds to local units;
3. recommends specifications for school buses;
4. purchases school buses and service vehicle replacements;
5. receives, inspects and approves service equipment;
6. deliver buses and service equipment to school units;
7. assists with maintenance and bus operations activities;

8. inspects buses for mechanical defects; and
9. evaluates bus operation records and cost among other things.

In addition to providing the services enumerated above, the Division collects and reports statewide information concerning transportation; and conducts statewide studies helpful to local education administrative units (LEAs) in providing pupil transportation.

The State Auditor's report focused on the Division's practice of collecting information for statewide distribution. The report suggests that LEAs forward a vast amount of data which in some cases "serve little useful purpose" because allotment of funds to LEAs are not based upon any formula which incorporates the data. Furthermore, where "questionable data" are submitted the State has no authority to investigate. The State Board, in other words, must accept whatever information is provided by the LEAs. The following excerpt from the State Auditor's report makes the point:

Transportation officials at each LEA collect detailed data on bus operations and forward this information to Raleigh. The Division of Transportation compiles portions of this data and prepares an annual report ranking the LEAs in the various statistical and cost categories. While these statistics are interesting, and may promote some competition among the LEAs, they serve little useful purpose if allotments continue to be made on an as-needed basis rather than some formula which incorporates this data. Further, when questionable data appears, the State has no authority to investigate or require corrective action. A case in point involves Tyrrell County, which has historically ranked high in miles-per-gallon statistics. However, in 1978-79 this unit dropped to last place in the rankings, but no effort was made to determine the cause.

We also noted other reports compiled by the Transportation Department which have little apparent usefulness. For example, Equipment Superintendents inspect each LEAs transportation operation and report on several criteria based on their experience. While these inspections may be advantageous, the

current reporting format provides, in our opinion, no useful purpose at the State level. For example, a unit was given a perfect score for gasoline consumption by the inspector, but actually ranked 96th among all counties in this category.

We suggest that the Transportation Division review all their data collection and reporting policies to insure that the resulting usefulness of any report justifies the effort and expense to compile. (See Page 22 of the Auditor's Report)

Although the Auditor is of the opinion that data was being collected which was of questionable value, the State Board of Education has corrected this problem. According to the Controller, Mr. Porter, the data now being collected is of a valid and useful nature. (See minutes of Committee proceedings for January 6, 1981)

#### C. Management

As noted earlier, authority in the State's system of pupil transportation is fragmented, a situation which poses substantial management problems. The problem of fragmentation which was repeatedly brought to the attention of the Committee is that authority and control are separated from the source of funds. Local school units have been able to exercise what is tantamount to carte blanche authority over funds for bus operations. Past experience has shown that total units may request, and usually are granted additional state funds, if their original allotments of funds are inadequate to operate their bus programs according to their plans. Sometimes the request for more funds is accompanied by a threat that "we will park the buses." (See presentation by Fiscal Research Division, November 13, 1980, p. 11.)



Another problem inherent in the management of the State's pupil transportation program is the lack of authority to oversee that local units comply with statutory directives, and with State Board of Education policies. While the statutes, for example, give authority to the S.B.E. to allocate funds in a fair and equitable manner, and to issue rules and regulations governing certain aspects of pupil transportation, that authority is frustrated by other statutory provisions. The primary one being G.S. 115-181(a):

The State Board of Education shall have no authority over or control of the transportation of pupils ... upon any school bus owned and operated by any county or city board of education ....

Mrs. Highfill cited as an example of the inability of the State to oversee compliance with statutory directives, and with S.B.E. policies the requirement, that local units reimburse the Pupil School Fund for transportation not supported by State funds, such as extracurricula trips or athletic events. When buses are put to other uses the Controller records the reimbursement amounts for such uses as they are reported to him by each local unit. The Controller does not question the accuracy of the records because there is really no statutory basis for him to do so. Some of the management problems resulting from the current imbalance in authority and control, Mrs. Highfill notes, are quite pervasive. They include for example:

- an automatic basis upon which to request larger appropriations from the Legislature each year;
- little or no accountability for the expenditure of public funds;
- the absence of State or local incentives to economical operations;
- misunderstanding if not conflicts concerning responsibility

and effective controls; and  
-lack of uniform performance standards to guide bus operations and to measure performance. Exceptions can be noted in the area of school bus purchases and driver qualifications where more standard rules have been established. (See Page 12 of Mrs. Highfill's presentation)

The State Auditor's report illustrated how the rising cost of pupil transportation can be attributed to management in the following excerpt:

While we believe that most local officials are concerned about operating an efficient transportation system, the rankings of statistical and cost data show wide variances in operating expenses. Total operating cost reported ranged from \$.39 per mile to \$.75 per mile. On a per pupil basis, operating cost varied from \$49 to \$171 in 1979-80. Some of these differences can reasonably be explained by factors such as geography, climate, population density, size of operation, etc. However, management policies and decisions regarding operations also play a large role in expenses. As examples, LEAs may adopt different maintenance schedules for oil or antifreeze changes. (Northampton County averaged 16 quarts of oil per vehicle while Burke County used 65 quarts per vehicle. Mitchell, a mountain county, used only 2 quarts of antifreeze per bus, while Hertford, a coastal unit, averaged 8 quarts per bus.) Also, one LEA may choose to use only new tires and repair parts, while another LEA may use recapped tires and repair some parts themselves rather than purchase new ones. (Cost of repair parts in McDowell County were about 1¢ per mile while Madison County averaged over 6¢ per mile. The cost per mile for tires in Gaston County was almost five times as great as in Gates County.) Officials may establish bus routes and stops primarily for the convenience of students or to guarantee drivers a certain income rather than to insure the most economical operation. (Average drivers' salaries, on a per mile basis, in Mitchell County were double those in Sampson County. On a per pupil basis, bus drivers' salaries in Camden County were \$17, compared to \$65 in Madison.) (See Pages 21 and 22 of the Auditor's Report.)

Committee member, Mr. Baucom, noted in connection the comparisons made in the above excerpt, that there are a number of variables "which may reflect upon the cost in any given year."



#### D. Proposed Solutions

The Committee received numerous proposed solutions to the problems of the State's pupil transportation program. On November 25, 1980, a public hearing was held to obtain answers to four questions which the Committee felt reflected the major concerns of the pupil transportation program of the State.

The questions were:

1. Should North Carolina assign authority and responsibility for all public transportation to local education agencies?
2. What should be the role of (a) the State and/or (b) local government for the responsibility, accountability and funding of all pupil transportation programs?
3. What are some ways the State can provide incentives to local education agencies to operate pupil transportation?
4. Do you favor continuation of 1980 enactment permitting State funds for contract transportation to be used for the purchase of vehicles and/or services?

A synopsis of the public hearing is included at Appendix E. Several other individuals who did not appear at the public hearing expressed some of their concerns on pupil transportation. Their remarks are summarized at Appendix F. Numerous recommendations were made to the Committee. They addressed generally most of the problems inherent in the State's system of pupil transportation. A compilation of those recommendations can be found at Appendix G.

#### III. COMMITTEE ACTION

On the basis of all of the information and the numerous recommendations proposed, the Committee by formal resolution (December 11, 1980) adopted the following policy statements

concerning the role of government in providing transportation to pupils enrolled in the public schools of this State.

- (1) It is the responsibility of State government to provide transportation to pupils in the public schools.
- (2) The government is responsible to provide transportation only to those pupils who reside beyond one and one-half miles (1-1/2) of the schools to which they are assigned, unless hazardous conditions dictate otherwise.
- (3) The State Board of Education is responsible for the allocation and administration of State funds to local boards of education. The State Board in administering transportation programs supported by State funds shall adopt and promulgate rules and regulations which will assure the most efficient and effective use of transportation funds.

#### IV. RECOMMENDATIONS

The Committee recommends that:

- (1) The General Assembly consider legislation to extend the contract transportation provision, set forth in Section 6 of Ratified Senate Bill 1005, for a two-year period. This provision should be modified to make it equitable and establish criteria on which savings are calculated; further, that depreciation be allowed on the deferral of ten-twelfths of the cost of periods after the two-year comparison period. (See Appendix H for proposed legislation.)

(2) Local education agencies be encouraged to make special efforts to utilize regular school buses to transport children with special needs wherever economically and physically feasible.

(3) The General Assembly consider a recommendation by Mr. J. A. Porter, Jr., relating to the purchase of school buses that language be inserted into the 1981 Appropriations Act as follows:

"The State Board of Education is authorized to purchase additional school buses from monies appropriated for school bus replacement in order to provide transportation of all pupils who meet the statutory requirements for school bus transportation. The State Board of Education shall adopt rules and regulations which set forth the criteria under which additional buses will be provided to the respective school units."  
(Representative Mavretic voted against this recommendation.)

(4) The practice of paying bonuses to adult bus drivers for driving on hazardous routes be discontinued.

(5) The State Board of Education consider establishment of regional parts and repair centers.

(6) The appropriate agency be asked to look at developing allocation formulas for maintenance and supervisory personnel in the school transportation system.

(7) The General Assembly consider the proposed statutory rewrite (with modifications) of Subchapter IX "School Transportation" of Chapter 115, submitted to the Committee by Mr. J. A. Porter, Jr., Controller of the State Board of Education. (See Appendix I for proposed legislation.)

(8) The proposal for a new pupil transportation program presented to the Committee by Representative Josephus L.

Mavretic be studied by a committee of the Legislature and it be included as a formal part of this Committee's report. (See Appendix J for text of proposal.)

(9) The work of the Committee should be continued because of the complexity of the issues involved in the State's program of pupil transportation.

V

APENDICES

1979-81

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP

House Speaker Carl J. Stewart, Jr., Chairman

Representative Chris S. Barker, Jr.

Representative John R. Gamble, Jr.

Representative H. Parks Helms

Representative John J. Hunt

Representative Lura S. Tally

Senate President Pro Tempore W. Craig Lawing, Chairman

Senator Henson P. Barnes

Senator Melvin Daniels, Jr.

Senator Carolyn Mathis

Senator R. C. Soles, Jr.

Senator Charles Vickery



LEGISLATIVE RESEARCH COMMISSION

SCHOOL PUPIL TRANSPORTATION STUDY COMMISSION

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Representative G. Malcolm Fulcher, Jr.  
Box 538  
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Representative Josephus L. Mavretic  
601 Saint Andrew  
Tarboro, North Carolina 27886

GENERAL ASSEMBLY OF NORTH CAROLINA

1979 SESSION (2nd SESSION, 1980)

RATIFIED BILL

CHAPTER 1212

SENATE BILL 1005

AN ACT TO MAKE SUPPLEMENTAL MODIFICATIONS TO CURRENT OPERATION AND CAPITAL EXPENDITURE APPROPRIATIONS FOR NORTH CAROLINA STATE GOVERNMENT FOR THE FISCAL YEAR 1980-81, AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

-----SUPPLEMENTAL MODIFICATIONS/1980-81 BUDGET

Section 1. This act provides the text to make supplemental modifications to current operation and capital expenditure appropriations for North Carolina State Government for the fiscal year 1980-81, and it makes other changes in the budget operation of the State. The majority of the 1980 legislation on the 1980-81 State budget is in Chapter 1137 of the 1979 Session Laws.

\*\*\*\*\*

An outline of the provisions of the act follows this section. The outline shows the heading "-----CONTENTS/INDEX-----", and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act.

-----CONTENTS/INDEX-----

(This outline is designed for reference only, and it in no way limits, defines, or prescribes the scope or application of the text of the act.)

-----SUPPLEMENTAL MODIFICATIONS/ 1980-81 BUDGET

PART I.-----SPECIAL PROVISIONS-----SALARIES AND BENEFITS

-----ACCESS TO EMPLOYMENT SECURITY COMMISSION REPORTS

Sec. 2.

-----STUDY SALARY OF ASSISTANT DISTRICT ATTORNEYS

Sec. 3.

PART II.-----SPECIAL PROVISIONS-----CULTURAL RESOURCES

-----FORT DEFIANCE APPROPRIATION

Sec. 4.

-----TARBORO BLOUNT HOUSE APPROPRIATION

Sec. 5.

PART III.-----SPECIAL PROVISIONS-----DEPARTMENT OF PUBLIC  
EDUCATION

-----CONTRACT TRANSPORTATION BUS PURCHASES

Sec. 6.

-----GENERAL STUDY OF SCHOOL TRANSPORTATION

Sec. 7.

-----EDWIN GILL THEATER APPROPRIATION

Sec. 8.

PART IV.-----SPECIAL PROVISION-----MEDICAID-----AMEND MEDICAID  
CITATION ON GENERIC DRUGS

Sec. 9.

PART V.-----SPECIAL PROVISION-----STATE BUREAU OF INVESTIGATION

-----UTILITY EMPLOYEE BACKGROUND INVESTIGATION FEES/STATE  
BUREAU OF INVESTIGATION

Sec. 10.

PART VI.-----SPECIAL PROVISIONS-----IMPROVE GOVERNMENT OPERATIONS

-----STUDY OPERATION OF LABORATORIES

Sec. 11.

-----COORDINATION OF ENVIRONMENTAL PROGRAMS

Sec. 12.

-----FEDERAL FUNDS REPLACEMENT

Sec. 13.

PART VII.-----SPECIAL PROVISIONS-----SUPPLEMENTAL ACT-----EFFECT  
OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY 1980-81

Sec. 14.

-----SEVERABILITY CLAUSE

Sec. 15.

-----CAPTIONS NOT LIMIT TEXT/ONLY FOR REFERENCE

Sec. 16.

-----EFFECTIVE DATE

Sec. 17.

Sec. 18.

PART I.-----SPECIAL PROVISIONS-----SALARIES AND BENEFITS

-----ACCESS TO EMPLOYMENT SECURITY COMMISSION REPORTS

Sec. 2. G.S. 96-4(g) (1) is amended by inserting on line 15 after the word "duties" and before the parenthesis, the following phrase:

", including the information required to be obtained pursuant to G.S. 128-27(e), G.S. 135-5(e), and G.S. 143-166(y)".

-----STUDY SALARY OF ASSISTANT DISTRICT ATTORNEYS

Sec. 3. The North Carolina Courts Commission is directed to study the salaries of assistant district attorneys in this State and to report to the 1981 General Assembly no later than March 1, 1981, its recommendations for a salary schedule for

that office.

PART II.-----SPECIAL PROVISIONS-----CULTURAL RESOURCES

-----FORT DEFIANCE FUNDS APPROPRIATION

Sec. 4. Chapter 1045 of the 1979 Session Laws is amended in Section 1 by inserting after the language, "the sum of ten thousand dollars (\$10,000)" in line 3, the language, "and for the 1980-81 fiscal year the sum of ten thousand dollars (\$10,000)", and is further amended in Section 1 by deleting the period at the end of the section and substituting, "in each of the fiscal years 1979-80 and 1980-81."

-----TARBORO BLOUNT HOUSE APPROPRIATION

Sec. 5. Chapter 1035 of the 1979 Session Laws is amended in Section 1 by inserting after the language "fifteen thousand dollars (\$15,000)" in line 3, the language, "and for the fiscal year 1980-81 the sum of fifteen thousand dollars (\$15,000)", and is further amended in Section 1 by deleting the period after the word "Tarboro" in line 7, and substituting, "in each of the fiscal years 1979-80 and 1980-81."

PART III.-----SPECIAL PROVISIONS-----DEPARTMENT OF PUBLIC  
EDUCATION

-----CONTRACT TRANSPORTATION BUS PURCHASES

Sec. 6. (a) Funds appropriated to the Department of Public Education for the 1980-81 fiscal year by Section 2 of Chapter 838 of the 1979 Session Laws, as amended by Chapter 1137 of the 1979 Session Laws, for contract transportation to serve exceptional children, may be used by local boards of education for the purchases of buses and minibuses as well as for the



purposes already authorized by law. Such purchases are subject to approval as provided in subsection (b) of this section.

(b) No bus or minibus may be purchased under the authority of this section except under criteria established by rule by the State Board of Education ensuring that such purchases will result in a net saving to the State over a two-year period. Such rules may establish additional specifications for the vehicles to ensure that they meet the special needs of exceptional children, and may require that the State Board of Education or a person designated by it approve such purchases.

(c) This section is intended as an interim solution; therefore, the State Board of Education shall adopt rules within 60 days of ratification of this act, so that it may be used for the 1980-81 school year. The provisions of G.S. 150A-13 may be used.

(d) Any vehicles purchased under the authority of this section shall be subject to G.S. 115-188, with the exception of subsection (h) of that section.

(e) If any vehicle purchased under the authority of this section is sold prior to the time of replacement by the State Board of Education, proceeds from such sale shall be distributed in a pro rata amount to the sources from which the vehicle was originally funded. If the vehicle is replaced by the State Board of Education through its replacement program, then all proceeds from such sale shall be transmitted to the State Board of Education.

(f) The State Board of Education shall issue rules to

implement this section and rules governing the allocation of funds for contract transportation for exceptional children, and further shall monitor expenditures by school units to ensure economy and efficiency in the use of funds under this section.

In case of conflict between the provisions of this section and the provisions of G.S. 115-181, the provisions of this section shall prevail to the extent of the conflict.

-----GENERAL STUDY OF SCHOOL TRANSPORTATION

Sec. 7. (a) It is believed that the State can substantially reduce school transportation costs by encouraging all local school units to use school buses to transport exceptional students, as well as by modifying other transportation procedures which offset operating costs.

(b) The Legislative Research Commission shall study the costs, operation, and management of the State's program of school pupil transportation. The Department of Public Education and the local school administrative units shall provide such information as is requested on this subject by the commission or a committee of that commission. The commission shall report to the 1981 General Assembly.

-----EDWIN GILL THEATER APPROPRIATION

Sec. 8. The last sentence of Section 1 of Chapter 994 of the 1979 Session Laws is repealed.

PART IV.-----SPECIAL PROVISION-----MEDICAID

-----AMEND MEDICAID CITATION ON GENERIC DRUGS

Sec. 9. Section 23 of Chapter 838 of the 1979 Session Laws is amended in the first line of the last paragraph by

deleting the language, "G.S. 90-76", and substituting, "Part 1A of Article 4 of Chapter 90 of the General Statutes".

PART V.-----SPECIAL PROVISIONS-----STATE BUREAU OF INVESTIGATION  
-----UTILITY EMPLOYEE BACKGROUND INVESTIGATION FEES/STATE BUREAU  
OF INVESTIGATION

Sec. 10. G.S. 62-333 is amended by rewriting the last sentence to read as follows: "The State Bureau of Investigation is authorized to retain fees charged pursuant to this section and to expend those fees in accordance with the Executive Budget Act for the purpose of discharging its duties under this section."

PART VI.-----SPECIAL PROVISIONS-----IMPROVE GOVERNMENT OPERATIONS  
-----STUDY OPERATION OF LABORATORIES

Sec. 11. The Office of Administrative Analysis of the Department of Administration is directed to conduct a study of the current operations of laboratories operated by the Departments of Agriculture, Human Resources, and Natural Resources and Community Development. The study shall include analyses of staff workloads, equipment utilization and capacity, administration and operation, and possible savings and increased efficiency from consolidation or other methods of cooperation. The Departments of Agriculture, Human Resources, and Natural Resources and Community Development are directed to provide any data or technical assistance requested by the Office of Administrative Analysis and to fully cooperate in the study effort. The study, with recommendations, shall be filed with the President of the Senate, the Speaker of the House, and the Chairmen of the Senate and House Appropriations Committees by

March 1, 1981.

-----COORDINATION OF ENVIRONMENTAL PROGRAMS

Sec. 12. In developing the 1981-83 biennial budget, the Departments of Agriculture, Human Resources, and Natural Resources and Community Development are directed to coordinate any requests for additional funds in the areas of environmental management and environmental health, including, but not limited to, water quality and supply, and waste and sewage disposal. Any request for new funding in environmental management and environmental health shall be accompanied by (1) a plan outlining coordination between or among these departments in the specific program; (2) proposed agreements between or among these departments defining the areas or responsibility to be handled by each department; and (3) an analysis indicating the degree of overlap or duplication of comparable or similar efforts in these or other departments, and proposed changes to eliminate possible overlap or duplication.

-----FEDERAL FUNDS REPLACEMENT

Sec. 13. The five hundred thousand dollar (\$500,000) Reserve for Loss of Federal Funds appropriated in Section 2 of Chapter 1137 of the 1979 Session Laws shall be allocated only with the approval of the Advisory Budget Commission. Prior to submission to the Advisory Budget Commission, the Office of State Budget and Management shall make a determination that the loss of federal funds would prevent the continuation of an essential program. None of the funds from this reserve shall be used to replace Comprehensive Employment and Training Act Funds or Law

Enforcement Assistance Act Funds.

Funds received from the Reserve pursuant to this section shall not be included in the continuation bduget for the 1981-83 biennium.

PART VII.-----SPECIAL PROVISIONS-----SUPPLEMENTAL ACT

-----EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY 1980-81

Sec. 14. Except for codified statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1980-81 fiscal year, the textual provisions of this act shall apply only to funds appropriated for, and activities occurring during, the 1980-81 fiscal year.

-----SEVERABILITY CLAUSE

Sec. 15. If any section or provision of this act is declared unconstitutional or invalid by the courts, the decision of the court shall not affect the validity of the act as a whole or the validity of any part other than the part declared to be unconstitutional or invalid.

-----CAPTIONS NOT LIMIT TEXT/ONLY FOR REFERENCE

Sec. 16. The series of captions used in this act (the descriptive phrases in all capital letters identified by parts numbered with Roman numerals or preceded by five hyphens) are inserted for convenience and reference only, and they in no way define, limit, or prescribe the scope or application of the text of the act. -----EFFECTIVE DATES

Sec. 17. All sections of this act except Section 10 shall become effective July 1, 1980.



Sec. 18. Section 10 of this act is effective retroactive to March 30, 1980.

In the General Assembly read three times and ratified, this the 24th day of June, 1980.

**JAMES C. GREEN**

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James C. Green

President of the Senate

**CARL J. STEWART, JR.**

---

Carl J. Stewart, Jr.

Speaker of the House of Representatives



. APPENDIX C

SUMMARY OF THE PUPIL TRANSPORTATION LAW OF NORTH CAROLINA

A. Overview

The Pupil Transportation Law is in Subchapter IX, Article 22, of Chapter 115 of the N. C. General Statutes. The specific statutory provisions are G.S. 115-180 through G.S. 115-192.

In reviewing the present North Carolina Law of School Pupil Transportation it should be borne in mind that local boards of education are only "authorized to acquire, own and operate school buses for the transportation of pupils enrolled in the public schools..." They are not required to do so. That means that local units may elect not to transport pupils.

B. Authority of LEAs and State Board of Education

The statutory provisions, which outline the authority of county and city boards of education, and the authority of the State Board of Education, relating to school transportation, are found in Article 22 of Chapter 115 of the North Carolina General Statutes.

1. Authority of LEAs

Generally all responsibility in connection with the operation and control of school buses in this State rests with the county and city boards of education. G.S. 115-180 provides that:

"Each county board of education, and each city board of education is hereby authorized, but is not required to acquire, own and operate school buses for the transportation of pupils enrolled in the public schools...and of persons employed in the operation of such schools...."

The other provisions of this section are: (1) that the local boards of education have authority to establish separate transportation systems for elementary schools and for junior and

senior high schools; and (2) that they may operate such buses to and from such schools, and "...in such numbers as the board shall from time to time find appropriate," for the safe, orderly and efficient transportation of pupils and school employees. The North Carolina Supreme Court in the cases of Huff v. Northampton County Board of Education, 259 N. C. 75 (1963) and Brown v. Charlotte-Mecklenburg Bd. of Ed., 267 N. C. 740 (1966), took the position that the General Assembly relieved the State Board of Education from all responsibility in connection with the operation and control of school buses in this State by the enactment of this provision. The local school boards electing to operate a school bus system are authorized, without limitation, to transport all pupils residing within the administrative unit. Whether or not a school board operates a bus transportation system is a matter within its sole discretion. Styers v. Phillips, 277 N. C. 460, (1971).

## 2. Authority of State Board of Education

G.S. 115-181 delineates the authority and duties of the State Board of Education in the matter of school transportation. Paragraph (a) provides that:

"The State Board of Education shall have no authority over or control of the transportation of pupils and employees upon any school bus owned and operated by any county or city board of education...."

The other provisions in G.S. 115-181 show that with limited exceptions the State Board of Education has no control over the operation of the State's pupil transportation system.

Paragraph (b) notes that the Board has no duty to supply transportation to any pupil; and that neither the State nor the Board of Education is in any manner liable for the failure or

refusal of a local school board to furnish transportation by school bus or otherwise to any pupil, or liable for any neglect or action of any local board in the operation or maintenance of any school bus.

The other important provisions of G.S. 115-181 are summarized below:

(e) The State Board of Education is to advise local boards of education on the establishment and amendment of school bus routes, acquisition and maintenance of school buses or on any question which may arise in connection with the organization and operation of the school bus transportation system. The State Board of Education, however, can only advise "when requested so to do by any county or city board of education, but not otherwise...."

(f) The State Board is to allocate to the local boards, "...all funds appropriated from time to time by the General Assembly for the purpose of providing transportation to pupils enrolled in the public schools...." In connection with this, the Board may reserve for future allocations from time to time during the fiscal year "a reasonable amount not to exceed ten percent (10%) of the total funds available for transportation in such fiscal year."

(g) After the appropriated funds have been allocated by the State Board of Education, it must pay over to the respective county and city boards of education, in accord with the allocation, in equal monthly installments throughout the regular school year. There is a proviso that the Board has discretion to pay all or part of any monthly installments prior to the time it is payable if the county or the city board so requests.

The leading case interpreting the provisions of G.S. 115-181 is Styers v. Phillips, 277, N. C. 460 (1971). In that case three taxpayers from Forsyth County brought action alleging that:

- (1) the Department of Public Instruction and the State Board of Education were spending tax funds to transport pupils, and that
- (2) the Department of Public Instruction supplied discarded school buses gratuitously to city boards of education, which apparently was an illegal use of tax funds.

The issue raised by the case was whether the State Board of Education had authority to allocate funds from the General Assembly's 1970-71 appropriation for the "nine months school



fund" to city and county boards of education for the purpose of transporting urban pupils to and from schools located within the corporate limits of the cities and towns in which they live. The court concluded, among other things, that as a matter of law the State Board of Education is authorized and directed by G.S. 115-181 (f) to allocate without restriction the funds appropriated for transportation to boards of education which had elected to provide school bus transportation. The General Assembly according to this case has relieved the State Board of Education of all responsibility for the operation of school buses. The responsibility is in the domain of the local administrative units.

#### C. Assignment of buses to schools

G.S. 115-182 deals generally with the assignment of buses to the various schools within the county or city administrative unit. The superintendent of the local administrative unit is to "allocate and assign to the respective public schools" the buses which the local board of education directs to be operating during the school year. The "allocating and assigning" is subject to approval of the county or city board of education. This section also gives the superintendent the discretionary authority to revise allocations and assignments of buses in accord with the changing transportation needs of the schools.

#### D. Use and operation of school buses

G.S. 115-183 outlines the purposes for which public school buses may be used. The law states that buses may be used only:

- (1) to transport pupils enrolled in the school to which the bus is assigned and the employees of that school. (This transportation is limited to traveling to and from school during the school day; and to and from points designated by the principal. There are also special provisions for "Head Start" children and children with special needs.)
- (2) to transport an ill or injured pupil to the doctor or to the hospital.
- (3) to transport pupils and employees one day prior to the opening of school for (a) registration, (b) organization of classes, (c) distributing textbooks and (d) other purposes to promote efficient organization of schools.
- (4) to transport pupils who live beyond 1-1/2 miles of the school in which they are enrolled. (Note: Local boards of education do not have to provide transportation for employees other than the driver.)
- (5) to transport pupils and instructional personnel to school instructional programs of the school. These programs include those for children with special needs; e.g. mental retardation and physical defects; special vocational or occupational programs requiring transportation away from the schoolgrounds during the school day but no out-of-state trips.
- (6) for civil preparedness purposes in any State disaster or local state of emergency. (Note: Under LEA rules and regulations school buses may be used for the purpose of testing civil preparedness plans, but neither the S.B.E. nor the local boards shall be liable for the operating cost, compensation claims or tort claims resulting from the tests.)
- (7) to transport senior citizen groups as authorized in G.S. 115-183.1.

E. Use of school buses to transport senior citizens

G.S. 115-183.1 referred to above generally grants authority to local boards of education to enter contractual arrangements with either local or State government agencies or "any agency established or identified pursuant to Public Law 89-73"... (The Older Americans Act of 1965) to use school buses to transport the elderly. Before such contracts are entered into, however, the particular board of education must by resolution establish a policy to use school buses to transport the elderly. In any event, such policy must give priority to the uses specified in

G.S. 115-183; i.e., transporting pupils to and from school.

F. Assignment of pupils to buses by principals

The procedures for assigning pupils to school buses are outlined in G.S. 115-184. Generally the superintendent assigns the buses to the schools but it is the school principal who has the duty to assign the pupils (and employees) to the buses. A pupil (or employee) is forbidden to ride on a bus to which she or he is not assigned, except by the express direction of the principal. The superintendent of the local unit can assign a particular bus to two or more schools. In such cases, he or she must designate the number of pupils from each school to be transported by the assigned bus; and the principal must assign pupils accordingly.

In order for a pupil to be assigned to a bus for transportation during the regular school day, that pupil (or his parents or guardian) must first apply to the principal. If a pupil is entitled to transportation, the principal must assign him or her to the bus which serves the route upon which such pupil lives. The principal has a duty to make assignments in a manner that assures "the orderly, safe and efficient transportation of pupils to such school and so as to promote the orderly and efficient administration of the school and the health, safety and general welfare of the pupils to be so transported." As part of this policy, the law prohibits the assigning of a school employee to ride a school bus if, to do so will prevent a pupil entitled to ride the bus from riding, or if the principal feels that having the employee ride the bus will be "detrimental to the comfort or

safety of the pupils assigned to such bus, or to the safe, efficient and proper operation of such bus." If for some reason or other the principal denies the student's application for transportation, or if the assignment is unsatisfactory to the pupil's parents, the parents, under the local board of education rules and regulations, are entitled to a prompt and fair hearing by the board. The board's decision is appealable to the courts. The procedures for appeal are outlined in paragraph (e) of G.S. 115-184.

G. School bus drivers, monitors and safety assistants

G.S. 115-185 deals generally with employing drivers and transportation safety assistants, and with the appointment of monitors by school principals. Local boards of education which elect to operate a school bus transportation system "shall employ the necessary drivers." They also have discretionary authority "within funds available" to employ transportation safety assistants. School bus drivers are required to meet qualifications prescribed by the State Board of Education regulations. The S.B.E. school bus driver qualifications require that prospective drivers:

- i. Furnish the superintendent of schools a health certificate which states the driver has been examined by the county physician, local health director or other reputable physician, and is free from tuberculosis, other communicable diseases or any disease physical or mental which would impair the ability of the person to effectively perform his duties. (G.S. 115-143)
- ii. Have both natural hands and both natural feet, with full use of arms, legs, hands and feet.
- iii. 1. Have at least 20/40 vision in each eye, with or without corrective lens. 2. Have adequate hearing in both ears.
- iv. Be of sufficient size and have strength enough to handle



- the bus with ease.
- v. Be at least 16 years of age.
  - vi. Be of good character and possess a good attitude.
  - vii. Be mentally alert.
  - viii. Have successfully passed the North Carolina high school course in Driver Education, unless the driver already possesses a North Carolina operator's or chauffeur's license. (G.S. 20-11(a))
  - ix. Have in his possession a North Carolina operator's license or chauffeur's license.
  - x. Have successfully passed the prescribed course in school bus driver training. (G.S. 20-218)
  - xi. Furnish the superintendent with a certificate issued jointly by a representative of the Commissioner of Motor Vehicles and the transportation supervisor or chief mechanic in the county stating he is a fit and competent person to drive a school bus loaded with school passengers over the roads of North Carolina. (G.S. 20-218)

The General Assembly during the 1979 Session (Second Session 1980) enacted a provision that a person "must have at least six months' driving experience as a licensed operator of a motor vehicle before employment as a regular or substitute driver." School bus drivers are trained by the Division of Motor Vehicles. While the State Board of Education sets their qualification standards, the drivers are in the employ of the particular local board of education.

As was noted, the local boards of education have discretionary authority within funds available to employ "adult or certified student drivers as transportation assistants." Their duty is to "assist the bus drivers with the safety, movements, management, and care of the children boarding the bus, leaving the bus, or being transported in it."

School principals have authority to appoint unpaid volunteer monitors for the buses. They are responsible for "preserving" order upon the bus and do such other things as may be appropriate for the safety of the pupils and employees assigned to such bus while boarding...alighting...or being transported..., and to



require ...pupils and employees to conform to rules and regulations established by the county or city board of education for the safety of pupils and employees upon school buses."

#### H. School Bus Routes

Generally the school principal prepares plans for bus routes, which are then submitted to the local superintendent for approval. The procedures for routing are outlined in G.S. 115-186. That section provides, among other things, that:

"The principal...shall, prior to the commencement of each regular school year, prepare and submit to the superintendent...a plan for a definite route, including stops for receiving and discharging pupils...so as to assure the most efficient use of such bus and the safety and convenience of pupils assigned thereto."

The law further provides routing on State-maintained highways to assure that the bus passes "within one mile of the residence of each pupil, who lives one and one-half miles or more from the school to which such pupil is assigned."

#### I. Inspection of buses for mechanical and other defects

Local school superintendents and bus drivers are primarily responsible for assuring that school buses are free of mechanical and other defects which may affect the safe operation of the buses.

G.S. 115-187 requires the local superintendents to have school buses and activity buses "inspected at least once each 30 days during the school year...." Drivers are required to "report promptly to the principal of the school, ... any mechanical defect or other defects which may affect the safe operation of

the bus...."

#### J. Purchase and Maintenance of Buses

The provisions for the purchase and maintenance of school buses, and for the purchase of materials and supplies, are outlined in G.S. 115-188. Generally LEAs are authorized to use local funds to purchase first school buses, and State funds to purchase replacements for buses and service vehicles. The counties are required to provide maintenance facilities for the buses. The various provisions are summarized below:

- G.S. 115-188(a) If funds are available, local boards authorized to purchase additional school buses and service vehicles or replacements, as local board decides are necessary for "safe and efficient transportation." Bus must conform to State Board regulations.
- (b) County tax levying authorities are authorized to budget for purchase of school buses and service vehicles.
  - (c) State Board to allocate funds appropriated by General Assembly for buses or service vehicles to local boards "in accordance with the requirements of such boards as determined by the State Board," to be paid over to local boards "in accordance with such allocation."
  - (d) Local board has title to locally purchased replacement bus, buses to be maintained pursuant to State Board regulations, as are other buses.
  - (e) County board of education to provide adequate buildings and equipment for storage and maintenance of all buses and service vehicles owned by the county board or by a city board located within the county. County tax levying authorities have duty to provide "for the construction or acquisition of such buildings and equipment as may be required for this purpose."
  - (f) If bus or service vehicle is damaged or destroyed, local board may apply to State Board for funds to replace. State Board may allot funds to replace if it finds vehicle cannot be made suitable for further use and replacement is necessary for local unit to properly maintain transportation system. Funds will be held by the State Board of Education for this purpose or may be appropriated.
  - (g) Buses to be purchased through Department of Administration unless bought from another school

- unit.
- (h) Biennial budget appropriations for school buses made by General Assembly shall not revert, but shall be transferred to fund for purchase of school buses.

K. Contract transportation

The provisions for contract transportation are contained in G.S. 115-190.

Generally, local boards may contract with person, firm or corporation for transportation of pupils, instead of operating their own school buses. Vehicles used in contract transportation services generally must be constructed and equipped as provided by the State Board of Education's rules and regulations. If the contract is to transport through the use of vehicles other than buses to carry less than 16 pupils, such vehicles need not be constructed or equipped as required by G.S. 115-181(d). The State Board of Education is required to provide rules and regulations for these vehicles. Funds allocated for school buses owned by local boards may be used for contract transportation. County or city tax levying authorities may budget additional funds to carry out contracts.

L. Transportation for children with special needs

The statutory directives for the transportation of children with special needs are recorded in various sections of Chapter 115 of the General Statutes. The definition of exceptional children is in G.S. 115-366. They are those children who, for

various reasons, "are unable to have all their needs met in regular class without special education or related services, or are unable to be adequately educated in the public schools." "Related services" among other things, include transportation.

Generally local boards of education may elect not to operate a pupil transportation system, and the State Board of Education is under no duty to supply transportation to regular students. Federal law, however, imposes a duty on the State to provide transportation to children with special needs. See Public Law 94-142. In North Carolina G.S. 115-11.2 provides that:

"(a) The State Board of Education is authorized to expend public funds or to otherwise provide motor vehicle transportation for children with special needs..."

Department of Public EducationDivision of TransportationStatement of Budget and Actual Expenditures and Receipts

Exhibit "A"

|  | 1979-80<br>Budget<br>(Original) | 1979-80<br>Actual<br>Expenditures/Receipts | 1980-81<br>Budget<br>(As of 9/26/80) |
|--|---------------------------------|--|--------------------------------------|
| <u>Fiscal Administration &amp; Support</u> |                                 |  |                                      |
| Salaries & Wages                           | \$ 217 476 00                   | \$ 252 442 00                              | \$ 289 294 00                        |
| Longevity Pay                              | 8 255 00                        | 7 573 00                                   | 9 802 00                             |
| Social Security Contributions              | 13 580 00                       | 15 363 35                                  | 18 731 00                            |
| Retirement Contributions                   | 20 587 00                       | 23 494 41                                  | 28 761 00                            |
| Hospitalization Insurance                  | 3 232 00                        | 3 847 32                                   | 4 882 00                             |
| Motor Vehicle Operation                    |                                 |  |                                      |
| Supplies                                   | 3 042 00                        | 3 792 00                                   | 4 512 00                             |
| Supplies & Materials - Office              |                                 |  | 906 00                               |
| Travel Staff                               | 16 416 00                       | 20 024 94                                  | 18 716 00                            |
| Insurance & Bonding                        | 225 00                          | 495 00                                     | 505 00                               |
| Repairs Bldg. & Equipment                  | -0-                             | 638 41                                     | -0-                                  |
| Motor Vehicle - Automobiles                | 14 156 00                       | -0-  | 8 712 00                             |
| Total                                      | \$ 296 969 00                   | \$ 327 670 43                              | \$ 384 821 00                        |
| <u>Transportation Services</u>             |                                 |  |                                      |
| Drivers                                    | \$ 19 719 291 00                | \$ 21 406 181 13                           | \$ 23 674 646 00                     |
| Salary - Mechanics                         | 10 720 482 00                   | 10 697 342 20                              | 12 875 963 00                        |
| Tires & Tubes                              | 1 290 842 00                    | 2 237 827 65                               |                                      |
| Gas, Oil, Grease,                          |                                 |  |                                      |
| Antifreeze                                 | 8 168 790 00                    | 16 202 448 38                              | 30 195 793 00                        |
| Vehicle Repair Parts                       | 2 993 947 00                    | 3 782 157 98                               | (gas,oil,tires<br>& repair parts)    |
| General Supplies &                         |                                 |  |                                      |
| Materials                                  | 166 091 00                      | 197 775 47                                 |                                      |
| Principals Bus Travel                      | 92 506 00                       | 84 208 57                                  |                                      |
| Telephone                                  | 60 871 00                       | 70 250 31                                  | 641 924 00                           |
| Water, Electric & Fuel                     | 237 017 00                      | 251 218 95                                 | (other expense)                      |
| Licenses & Title Fees                      | 8 000 00                        | 5 998 12                                   |                                      |
| Equipment (Garage & Gas Types)             | 54 000 00                       | 51 636 02                                  |                                      |
| Contract Transportation                    | 2 672 604 00                    | 4 032 635 38                               | 4 202 212 00                         |
| Reserve-Hazardous Walking<br>Conditions    | 1 500 000 00                    |  | -0-                                  |
| Total                                      | \$ 47 684 441 00                | \$ 59 019 680 16                           | \$ 71 590 538 00                     |
| <u>Transfers to Code 73520 for</u>         |                                 |  |                                      |
| School Bus Purchases                       | \$ 14 444 976 00                | \$ 14 444 976 00                           | \$ 15 328 110 00                     |
| Total Requirements                         | \$ 62 426 386 00                | \$ 73 792 326 59                           | \$ 87 303 469 00                     |
| <u>Estimated Revenue:</u>                  |                                 |  |                                      |
| Sale of Equipment                          | \$ 3 400 00                     | \$ -0-                                     | \$ 2 000 00                          |
| State Appropriations                       | \$ 62 422 986 00                | \$ 73 792 326 59                           | \$ 87 301 469 00                     |
| Total Receipts                             | \$ 62 426 386 00                | \$ 73 792 326 59                           | \$ 87 303 469 00                     |

Note: This statement does not include information on Property and Cost Clerks and certain other school bus transportation related expenses as they are budgeted in other codes

Source: Dept. of State Auditor

Operational Audit, School Pupil Transportation System, November 1980





Table 1  
SCHOOL TRANSPORTATION COSTS

|                       | 75-76                      | 76-77        | 77-78        | 78-79                      | 79-80                    | Budget<br>1980-81           | 5 Year<br>Increase | 1<br>Increase |
|-----------------------|----------------------------|--------------|--------------|----------------------------|--------------------------|-----------------------------|--------------------|---------------|
| Contract Trans.       | \$ 1,867,710               | \$ 2,386,853 | \$ 2,386,157 | \$ 3,080,817               | \$ 4,032,635             | \$ 4,202,212                | \$ 2,334,502       | 125           |
| Salaries P&C. C.      | 967,177                    | 1,045,999    | 1,181,944    | 1,282,817                  | 1,409,553 <sup>4/</sup>  | 1,572,967                   | 605,790            | 63            |
| Salaries Mechanics    | 6,852,741                  | 7,975,652    | 8,944,394    | 9,773,461                  | 10,697,342 <sup>5/</sup> | 12,875,963                  | 6,023,222          | 82            |
| Salaries Drivers      | 13,161,763                 | 14,918,628   | 16,691,210   | 19,560,547                 | 21,406,181               | 23,674,646                  | 10,512,883         | 80            |
| Gasoline, Oil, Grease | 6,053,069                  | 7,108,224    | 7,840,372    | 9,419,269                  | 16,202,448               | (30,195,793                 | (20,833,353        | 223           |
| Repair Parts          | 2,224,646*                 | 2,528,433    | 2,808,436    | 3,145,886 <sup>2/</sup>    | 3,782,158                | (                           | (                  | -             |
| Tires & Tubes         | 1,084,725                  | 1,232,424    | 1,290,483    | 1,548,923                  | 2,237,838                | (                           | (                  | -             |
| Other Expenses        | 440,547                    | 528,053      | 529,772      | 567,613                    | 661,089                  | 641,924                     | 201,377            | 46            |
| Total                 | \$32,652,378 <sup>1/</sup> | \$37,724,266 | \$42,672,268 | \$48,379,333               | \$60,429,234             | \$ 72,590,538 <sup>6/</sup> | \$38,938,160       | 119           |
| State Level           | \$ 231,690                 | \$ 246,713   | \$ 268,832   | \$ 300,655                 | \$ 327,670               | \$ 379,813                  | \$ 148,123         | 64            |
| Purchase of Buses     | \$ 7,551,724               | \$ 9,921,481 | \$10,734,252 | \$ 9,358,363 <sup>3/</sup> | \$ 2,500,680*            | \$ 30,938,110               | \$23,386,386       | 310           |
| Grand Total           | \$40,435,792               | \$47,892,460 | \$52,675,352 | \$58,038,355               | \$63,257,584             | \$102,908,461 <sup>6/</sup> |                    |               |

\*Budget was \$18,525,117 but equipment was not delivered in time for payment in 1979-80.  
Funds do not revert.

Number pupils transported:

|                    |         |         |         |         |         |         |        |
|--------------------|---------|---------|---------|---------|---------|---------|--------|
| a. School bus      | 726,853 | 735,657 | 728,748 | 725,204 | 724,025 | (2,824) | (0.36) |
| b. Contract trans. | 17,907  | 16,250  | 15,865  | 17,530  | 17,113  | (794)   | (4.43) |
| Total              | 744,760 | 751,907 | 744,613 | 742,734 | 741,142 | (3,618) | (.49)  |

Source: Fiscal Research Division  
Administrative Services Office



APPENDIX E  
S U M M A R Y O F P U B L I C H E A R I N G S  
H E L D November 25, 1980

| QUESTIONS  | SPEAKERS'   | RESPONSES   |
|--|---|---|
| 1<br>Should NC assign authority and responsibility for all public transportation to local education agencies?  | New Hanover Cnty. Schools<br>James L. Gearhart,<br>Asst. Supt. to Operations  | Buncombe Cnty Schools<br>James R. McCanless,<br>Supr. of Transportation<br><br>Janet G. Holen, Co-ordinator of Legislative Activity, NCPTA<br><br>Kings Mtn. District Sch<br>Larry F. Allen,<br>Asst. Supt.   |
| 2<br>What should be the role of (a) the state and/or (b) local government for the responsibility, accountability and funding of all pupil transportation programs? | -<br><br>Local Boards should be given authority to determine whether conditions warrant transporting pupils living within 1 1/2 mi. of their schools; determine needs within 1 mi. of bus stop.           | No<br><br>a) State should have overall responsibility. DOT strengthened and personnel increased. b) Local systems be responsible for extra transportation programs<br><br>Give State Bd. of Ed. more authority and responsibility, but keep law simple and continue incentives<br><br>No, but State should provide more funding |
| 3<br>What are some ways the state can provide incentives to local education agencies to operate pupil transportation   | -<br><br>Allot funds on pupil basis with adjustments for number of buses, weather terrain, pupil  | -<br><br>State should initiate new regulations & laws to meet current needs. Locals should be accountable to State for efficient uses of resources<br><br>Statewide awards recognition. Incentive allocations of equipment.   |
| 4<br>Do you favor continuation of 1980 enactment permitting state funds for contract transportation to be used for the purchase of vehicles and/or services?       | -<br><br>Yes and no. No because the provision is unfair to counties that have purchased buses on their own. Yes, if there is no other way the counties can get buses to eliminate contract transportation | -<br><br>Yes.   |

S U M M A R Y O F P U B L I C H E A R I N G  
H E L D November 25, 1980

QUESTIONS

SPEAKERS

RESPONSES

Chapel Hill-Carboro City Schools, Charles H. Revis  
Acting Superintendent

Harnett Cnty. Schools,  
T.H. Morrison, Leg. Chrm.,  
NC Pupil Transp. Assoc.

<sup>1</sup>  
Should NC assign authority and responsibility for all public transportation to local education agencies?

No, but State is in a better position to fund  
No, and with sufficient funding

<sup>2</sup>  
What should be the role of (a) the state and/or (b) local government for the responsibility, accountability and funding of all pupil transportation programs?

State should maintain responsibility & funding for all pupil transportation. Local units should continue to be accountable for implementation  
State should be responsible for basics, locals for extras.

<sup>3</sup>  
What are some ways the state can provide incentives to local education agencies to operate pupil transportation

More funds; incentive program for competent drivers. More flexibility for school use of buses.  
Cash bonus as reward - Adjust salaries

<sup>4</sup>  
Do you favor continuation of 1980 enactment permitting state funds for contract transportation to be used for the purchase of vehicles and/or services?

Yes  
(State should continue to purchase buses where practical (to terminate contracts for transportation



# S U M M A R Y O F P U B L I C H E A R I N G H E L D November 25, 1980

## QUESTIONS

### SPEAKERS'

VDO - Argo Instruments  
John H. Maye, District  
Sales Manager  
Charlotte, N. C.

### RESPONSES

School Bus Transportation  
W. Reid Warren, Supervisor  
Halifax County Schools

1  
Should NC assign authority  
and responsibility for all  
public transportation to  
local education agencies?

No

2  
What should be the role of  
(a) the State and/or (b)  
local government for the  
responsibility, account-  
ability and funding of all  
pupil transportation  
programs?

A constantly monitored  
program only way to keep  
driver in top performance  
and management aware.  
Tachographs records  
vehicle and drive operat-  
ing practices accurately;  
are economical because  
drivers' driving practices  
are documented for wasteful-  
ness.

State DOT should have overall  
responsibility for funding,  
using written rules & regulations

3  
What are some ways the state  
can provide incentives to  
local education agencies to  
operate pupil transportation

1. School bus training under  
State Bd. of Education
2. Require funding by State for  
new programs
3. Better bus & road maintenance  
and practices
4. New buses every 10 years
5. Incentives for good work

4  
Do you favor continuation of  
1980 enactment permitting  
state funds for contract  
transportation to be used  
for the purchase of vehicles  
and/or services?

# S U M M A R Y O F P U B L I C H E A R I N G H E L D November 25, 1980

| QUESTIONS  | SPEAKERS'   | RESPONSES  |  |
|--|---|--|--|
| 1<br>Should NC assign authority and responsibility for all public transportation to local education agencies?  | Orange Cnty Schools<br>R. Mike Simmons,<br>Superintendent   | Lenoir Cnty. Schools<br>Young H. Allen,<br>Superintendent                              | Macon Cnty Schools<br>Lonnie Crawford,<br>Superintendent   |
| 2<br>What should be the role of (a) the State and/or (b) local government for the responsibility, accountability and funding of all pupil transportation programs? | No  | -  | No   |
| 3<br>What are some ways the state can provide incentives to local education agencies to operate pupil transportation   | State should have the only role in providing funding for transportation. Put transportation on a sounder fiscal basis | -  | Retain the present system  |
| 4<br>Do you favor continuation of 1980 enactment permitting state funds for contract transportation to be used for the purchase of vehicles and/or services?       | Eliminate double routings. Reward efficiency measures by LEA's  | -  | Make the LEA's justify expenditures above the state<br>If too high, have them pay the difference |
|  | Yes   | Adjustments should be made to local boards that have already purchased their own buses | Though idea was good, the system of allocation was unfair and rewarded responsibility            |

## APPENDIX F

### SUMMARY OF CONCERNS OF VARIOUS INDIVIDUALS OVER THE STATE'S PUPIL TRANSPORTATION PROGRAM.

#### CONCERNS

Ralph V. Moran  
Transportation Supervisor  
Guilford County Schools

1. Better salary for bus drivers based on State Salary Grade 55, providing a range of \$4.06/hr. to \$5.75/hr.

T. H. Morrison  
N. C. Pupil Transportation  
Association

1. An adequate number of supervisory and administrative personnel
2. An adequate number of bus mechanics
3. An upgrading of bus mechanics' salaries to make them competitive with private industry

Theodore Drain, Director  
Div. for Exceptional  
Children  
N. C. Dept. of Public  
Instruction

1. Continue to allow state funds be used to purchase minibuses for exceptional children
2. Special training for all bus drivers
3. Funding for monitors on school buses for exceptional children
4. Continuation of contract funding
5. Require restraints on school buses

Thomas Bradshaw, Secretary  
Dept. of Transportation

1. All costs including depreciation and amortization should be included in cost analysis
2. If private firm is given a contract, portion of cost comparable to state cost, should be borne by the state agency

## CONCERNS

Henry Bridges  
State Auditor

1. Allow bus purchase price to be spread over useful life of bus
2. Eliminate inequities to LEA's unable to participate in plan
3. Reverse the bases under which cost is computed from average cost to more specific identifications, perhaps per-mile cost
4. Overexpenditure on contract funds should be local responsible

Donald Baucom  
Member of the Pupil Transportation Study Committee

1. Provide fully for special education transportation
2. Encourage energy conservation
3. Set out clear standards for auxiliary use of public school buses
4. Consolidate administration of school bus insurance claims
5. Keep responsibility for student safety at local levels
6. Better administration, personnel standards. Higher salaries for bus drivers.
7. More State initiatives for new transportation programs, e.g. computerized assisted bus routing and inventory control
8. More state personnel to administer the recommended additional responsibilities

John A. Williams, Jr.  
State Budget Officer

1. Gasoline should be allotted by "gallons rather than dollars". This will assure that all of the local units will get gasoline at the lowest possible price. Local units do not always purchase gasoline at the lowest price

## Concerns

Harry S. Howard  
Assistant Superintendent  
Pupil Personnel Services  
Wilson County Schools

1. Agrees that responsibility for funding and operation of school should lie at State level; and that legislation should be enacted requiring SBE to establish rules and regulations under which LEA's are to operate. Legislation should not be too specific
2. Disagree with the notion of "blank check" because LEA's generally want to hold down cost.
3. G.S. 115-186 should be amended to eliminate "convenience" bus transportation.
4. No extension of the permissible uses of school buses
5. Establish step salary schedule to attract more adult drivers.
6. Establish "support positions" to enable high schools: (a) to assign assistant principals to coordinate pupil transportation between high schools and feeder schools, and (b) to recruit bus drivers and provide in-service training for drivers.
7. SBE Division of Transportation should be responsible for training and certifying drivers.
8. The interim legislation for funds to buy mini buses to transport children with special needs is unfair to LEA's which made efforts to provide more efficient transportation by purchasing vans and mini buses at their own expense.

Joseph H. Wishon  
N.W. Regional Sup't.  
Council  
North Wilkesboro, N.C.

1. The N.W. Regional Council request that the SBE Division of Transportation be completely responsible for school transportation.
2. SBE's Division of Transportation be placed under State Dept. of Public instruction.





## APPENDIX G

### COMPILATION OF RECOMMENDATIONS MADE TO THE COMMITTEE

#### A. Cost

- (1) All cost items related to pupil transportation are to be disclosed in the various reports.
- (2) Allotment of transportation funds should be made with the understanding that if LEAs require funds in excess of allocated amounts the costs are to be borne by the LEAs.
- (3) State assume authority to approve or mandate certain areas of transportation activities;  
e.g., approval of routes and stops, maintenance schedules for buses enforcement of purchases from certified vendors, ceilings on rates for contract transportation.
- (4) Change the allotment formula from "as needed" basis to a formula which uses data on bus operation submitted by LEAs.
- (5) Revamp contract transportation procedures to make cost more predictable.
- (6) The LEAs should adhere to guidelines established by SBEs transportation for letting contracts and the Division should be given authority to monitor contracts.
- (7) In considering cost of contract transportation all costs including, among other things, depreciation and amortization should be taken into account so that a fair comparison between public and private mode of transportation can be made.
- (8) The State Board of Education should be given the prime responsibility of:
  - (a) ensuring that the State's financial obligation for the operating cost of pupil transportation as

- defined by law is limited to the amount required to operate the program in the most efficient, effective, safe and fair manner possible; and
- (b) ensuring that the State's financial obligation for the purchase of replacement vehicles required for pupil transportation in each unit is limited to the amount required to purchase the most effective and efficient vehicle at the least cost.
- (9) It is recommended that the State Board of Education the following data in the budget request of the School Transportation program:
- (a) the demand for pupil transportation services by regular and exceptional pupils;
  - (b) the actual total costs for meeting the demand in the prior two years, and the estimated total cost associated with meeting the demand in the period for which the request is made, by source of funds;
  - (c) the performance measures that will be employed to aid in the assessment of each unit's performance;
  - (d) the quantified/time-phased objections developed for the purpose of assuring that transportation will be provided in the most fair, effective, efficient and economical manner consistent with the safety of school children;
  - (e) the tasks that will be undertaken by the State Board of Education-Controller and by the school units to improve the effectiveness and efficiency of transportation services; and

- (f) the method that will be employed within the system to determine if the program's objectives are being achieved.
- (10) It is recommended that the State Board of Education scrutinize the operations of contract transportation as carefully as non-contracting operations in carrying out its responsibilities.
- (11) It is recommended that the State Board of Education distribute State transportation funds on an equitable and fair basis, and that it promulgate its funding policies to all school units.
- (12) It is recommended that State funds for pupil transportation be limited to the amount appropriated for that purpose by the General Assembly. In the event of emergencies requiring additional unbudgeted revenues for transportation, non-state sources may be used.

B. Operation

- (1) All responsibilities related to pupil transportation should be consolidated under the general authority of the State Board of Education; e.g., purchasing of buses, routing, and maintenance.
- (2) State Board of Education should be given greater authority to review data collection policies of LEAs and determine the usefulness of various reports submitted by LEAs.
- (3) The Division of Transportation should be given authority to investigate and correct questionable disclosures by LEAs.

- (4) Clearer legislation should be enacted to deal with the "special uses" of buses to provide controls to assure that all special uses of buses are being reported.
- (5) The contractual arrangement between the Department of Human Resources and the State Board of Education to transport children with special needs.
- (6) It is recommended that the State Board of Education adopt performance measures for the school transportation program
  - (a) to provide guidelines for the safe and economical operations of school buses;
  - (b) to ensure that the transportation program complies with statutory and State Board policies; and
  - (c) to determine how well the transportation program and each of school units are achieving their objectives. Performance measures should be established for
    - vehicle operations
    - vehicle maintenance
    - administration
    - routing
    - procedures to be followed by units in establishing standards for hazardous working conditions and pupil safety.



C. Management

- (1) It is recommended that the Legislature adopt a statewide policy, to be expressed in law, regarding school transportation, specifically that such policy clearly state:
  - (a) that the control and management of all facilities and State funds for school transportation shall be vested in the State of North Carolina under the direction and supervision of the State Board of Education. In case of disagreements over the transportation program, the State Board of Education shall make the final determination.
  - (b) how and to what extent the State and Local Governments will share in the operating and capital expenses of the transportation costs;
  - (c) the State Board of Education shall exercise sufficient oversight of the transportation program to insure its effective and economical operation. In exercising its authority for the transportation program, the State Board of Education is authorized to withhold state transportation funds from any local school unit for justifiable reasons such as failure to comply with the law or State policies.
- (2) All pupil transportation services should be consolidated. Among other things, the statutorily required training for bus drivers should be placed under the authority of the Transportation Division.

- (3) Improve management by increased monitoring of school bus operation. For example, the Transportation Division should equip all buses with tachographs or devices of a similar nature.

DEC 12 1980

DRAFT  
FOR REVIEW ONLY

## DRAFTING

A BILL TO BE ENTITLED AN ACT TO CLARIFY THE CRITERIA FOR PURCHASE  
OF BUSES AND MINIBUSES BY LOCAL BOARDS OF EDUCATION IN  
LIEU OF CONTRACT TRANSPORTATION.

The General Assembly of North Carolina enacts:

Section 1. Section 6(a) of Chapter 1212, Session Laws of 1979 (Second Session 1980) is amended by adding after the first sentence the following new language:

"Funds appropriated to the Department of Public Education for the 1981-83 biennium for contract transportation to serve exceptional children, may be used by local boards of education for the purchases of buses and minibuses as well as for the purposes authorized in the budget."

Sec. 2. The first sentence of Section 6(b) of Chapter 1212, Session Laws of 1979 (Second Session 1980) is amended by deleting the word "criteria", and inserting in lieu thereof the words "specific uniform criteria", and is further amended by adding immediately before the period the words ", provided that in calculating the cost saving, two-twelfths of the purchase price of the bus or minibus shall be included in the calculation".

Sec. 3. Section 6(c) of Chapter 1212, Session Laws of 1979, (Second Session 1980) is rewritten to read:

"(c) This section is intended as an interim solution."

Sec. 4. This act shall become effective July 1, 1981.



INTRODUCED BY

DRAFT  
FOR REVIEW ONLY

Referred to:

## A BILL TO BE ENTITLED

AN ACT TO REWRITE ARTICLE 22 OF CHAPTER 115 OF THE GENERAL STATUTES  
RELATING TO SCHOOL BUSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115-180 is rewritten to read:

115-180. Authority and duties of County and City Boards of Education.

--(a) Transportation of Pupils.--Each local board of education is required to provide transportation for pupils in the public schools, who reside more than one and one-half miles from the school to which they are assigned within the limitations set forth in this subchapter.

(b) School Bus Routes. -- It shall be the duty of each local board of education to establish school bus routes in accordance with rules and regulations established by the State Board of Education.

(c) Rules and Regulations.--Each local board of education shall adopt rules and regulations which assign the responsibility for the routing of school buses and the assignment of pupils to buses to the end that safety and efficient operation is assured. Such rules and regulations shall be filed with the State Board of Education no later than September 1 of each year.

(d) Use of School Buses - State Funds.--In addition to the transportation of pupils to and from school, school buses may be used only for transporting pupils between schools and/or classes for the purposes of instructional programs conducted on a regular schedule for credit.

(e) Use of School Buses Non State Funds. -- The cost for transportation



1 of pupils on school buses for purposes other than those enumerated above  
2 shall be reimbursed to the state at a per mile cost as determined by the  
3 State Board of Education. The per mile cost shall cover all costs both  
4 fixed and variable; including depreciation, gasoline, fuel, labor, main-  
5 tenance and insurance. School buses shall not be used for transporting  
6 athletes and/or pupils to any athletic event.

7 (f) Contract Transportation. -- Any local board of education may,  
8 in lieu of the operation by it of public school buses, enter into a con-  
9 tract with any person, firm or corporation for the transportation pupils  
10 enrolled in the public schools for the same purposes for which local  
11 boards of education are authorized by this subchapter to operate public  
12 school buses. Each local board of education may provide transportation  
13 by contract for children with special needs as defined in G.S. 115-366,  
14 when transportation on a regular school bus is not available or practical.  
15 Children who are classified as gifted or talented are not to be included  
16 within the definition of children with special needs for transportation  
17 by contract.

18 (g) Transportation of Employees. -- The transportation of employees  
19 may be allowed only upon the express approval by the local board of  
20 education as approved in the minutes of the board. No person other than  
21 pupils assigned to the bus, employees approved by the local board and  
22 local and state employees connected with operation and maintenance of buses  
23 shall enter a school bus.

24 (b) To the extent that the funds shall be made available to it for  
25 such purpose, a county board of education or a city board of education is  
26 authorized to purchase from time to time such additional school buses and  
27 service vehicles or replacements for school buses and service vehicles, as  
28 may be deemed by such board to be necessary for the safe and efficient

1 transportation of pupils enrolled in the schools within such county or city  
2 administrative unit. Any school bus so purchased shall be constructed and  
3 equipped as prescribed by the provisions of this Subchapter and by the  
4 regulations of the State Board of Education issued pursuant to G.S.115-182(a).

5 The tax levying authority of any county is hereby authorized to make  
6 provision from time to time in the capital outlay budget of the county for  
7 the purchase of such school buses or service vehicles.

8 (i) The title to any school bus or service vehicle purchased pursuant  
9 to the provisions of this section, shall be taken in the name of the board  
10 of education of such county or city administrative unit, and such bus shall  
11 in all respects be maintained, inspected and operated pursuant to the pro-  
12 visions of this Subchapter and rules and regulations adopted by the State  
13 Board of Education.

14 (j) It shall be the duty of the county board of education to provide  
15 adequate storage space, buildings, and equipment for the maintenance of  
16 all school buses and service vehicles owned or operated by the county  
17 board of education or by the board of education of any city administrative  
18 unit in such county. It shall be the duty of the tax levying authority  
19 of such county to provide in its capital outlay budget for the construction  
20 or acquisition of such storage space, buildings, and equipment as may be  
21 required for this purpose.

22 (k) Each county and city board of education shall employ the necessary  
23 drivers for school buses and shall assign the drivers employed by it to  
24 the respective schools within the jurisdiction of the board. No school  
25 bus shall at any time be driven or operated by any person other than the  
26 bus driver assigned to the bus except in accordance with rules and regula-  
27 tions adopted by the local board of education.

28 (l) The superintendent of schools in each county, and in each city

1 administrative unit, shall cause each activity bus which is used for the  
2 transportation of students by such county or city administrative unit or  
3 any public school system therein to be inspected for mechanical defects,  
4 or other defects which may affect the safe operation of such activity  
5 bus, at the same time and in the same way and manner as the regular  
6 public school buses for the normal transportation of public school pupils  
7 are inspected. A report of such inspection, together with the recommen-  
8 cations of the person making the inspection shall be filed with the principal  
9 of the school which uses and operates such activity bus and a copy shall  
10 be forwarded to the superintendent of schools of the administrative unit  
11 involved. It shall be the duty of the driver of each activity bus to make  
12 the same reports to the principal of the school using and operating such  
13 activity bus as is required by this section. If any public school activity  
14 bus is found to be so defective that the activity bus may not be operated  
15 with reasonable safety, it shall be the duty of such principal to cause  
16 the use of such activity bus to be discontinued until such defect is  
17 remedied to the satisfaction of the person making the inspection and a  
18 report to this effect has been filed in the manner herein prescribed. Nothing  
19 in this subsection shall authorize the use of State funds for the purchase,  
20 operation or repair of any activity bus.

21           Sec. 2. G.S. 115-181 is rewritten to read:

22       115-181. Authority and duties of the State Board of Education.--(a)  
23 Rules and Regulations. -- The State Board of Education shall adopt rules  
24 and regulations governing use, operation, inspection and maintenance of  
25 school buses to assure the safety of pupils transported and the efficient  
26 operation and use of state funds. The State Board of Education shall adopt  
27 rules and regulations governing which students shall be eligible for trans-  
28 portation on school buses.

1 (b) Allocation of Operating Funds. -- The Board shall allocate to  
2 the respective county and city boards of education funds appropriated  
3 from time to time by the General Assembly for the purpose of providing  
4 transportation to the pupils enrolled in the public schools. Funds shall  
5 be allocated by the Board based on factors the Board deems appropriate such  
6 as the number of pupils to be transported, authorized mileage, number of  
7 authorized buses, number of authorized routes. Such allocation shall be  
8 made by the State Board at the beginning of each fiscal year. The State  
9 Board may reserve for future allocations a reasonable amount not to exceed  
10 ten percent (10%) of the total funds appropriated for school bus trans-  
11 portation.

12 (c) Within funds appropriated, the State Board shall allocate additional  
13 and replacement school buses and replacement service vehicles to local boards  
14 of education. Such allocation shall be made in accordance with Policies &  
15 Regulations adopted by the State Board.

16 (d) The State Board shall have the authority to monitor bus routes  
17 established by local boards of education to determine compliance with rules  
18 and regulations established by the State Board.

19 (e) Withholding State Funds.-- The State Board is authorized to with-  
20 hold the certification of State funds for the operation of school trans-  
21 portation, from any local board of education which fails to comply with  
22 this subchapter and with the rules and regulations established by the State  
23 Board of Education.

24 (f) Appropriations made in the biennial Budget Appropriation Act for  
25 the purchase of public school buses shall be permanent appropriations, and  
26 unexpended portions of those appropriations shall not revert to the general  
27 fund at the end of the biennium for which appropriated.

28 Sec. 3. G.S. 115-182 is rewritten to read:

1        115-182. School Buses. -- (a) Specifications. The State Board of  
2 Education shall determine the specifications for the construction of  
3 school and activity buses, including any auxiliary equipment required for  
4 the safety of pupils.

5        (b) All school buses or service vehicles purchased by or for the  
6 account of any county or city board of education shall be purchased through  
7 the State Board of Education.

8        (c) Bus Drivers. Any person employed to drive a school bus shall be  
9 trained and licensed by the Division of Motor Vehicles and shall have  
10 passed the prescribed course in school bus driver training pursuant to  
11 G.S. 20-218.

12            Sec. 4. G.S. 115-183.1 is renumbered as G.S. 115-183 and G.S.  
13 115-183 is repealed.

14            Sec. 5. G.S. 115-184 is rewritten to read:

15        115-184. Use of buses by Civil Defense. School buses owned by a local  
16 board of education may be used for civil preparedness purposes in any state  
17 of disaster or local state of emergency declared under Chapter 166A of  
18 the General Statutes. Under rules and regulations adopted by the State  
19 Board of Education, school buses may be used for the purpose of testing  
20 civil preparedness plans; however, neither the State Board of Education  
21 nor the local board of education shall be liable for the operating costs,  
22 any compensation claims or tort claims resulting from the test.

23            Sec. 6. G.S. 115-185 is amended by repealing subsection (a), and  
24 relettering and amending subsection (b) to read: (a) Subject to rules and  
25 regulations adopted by the local board of education; the driver of a school  
26 bus shall have complete authority over and responsibility for the operation  
27 of the bus and the maintaining of good order and conduct upon such bus, and  
28 shall report promptly to the principal any misconduct upon such bus or



## SESSION 19 81

1 disregard or violation of the driver's instructions by any person riding  
2 upon such bus. The principal may take such action with reference to any  
3 such misconduct upon a school bus, or any violation of the instructions  
4 of the driver, as he might take if such misconduct or violation has  
5 occurred upon the grounds of the school.

6           Sec. 7. G.S. 115-185 is further amended by repealing subsection  
7 (c) and relettering subsections (d), (e) and (f) as subsections (b), (c)  
8 and (d) respectively.

9           Sec. 8. G.S. 115-186 is repealed and G.S. 115-191 is renumbered  
10 as G.S. 115-186.

11           Sec. 9. G.S. 115-187 is repealed and G.S. 115-192 is renumbered  
12 as G.S. 115-187.

13           Sec. 10. The following are repealed: G.S. 115-188, G.S. 115-188.1,  
14 G.S. 115-189, G.S. 115-190, and G.S. 115-190.1.

15           Sec. 11. This Act is effective July 1, 1981.

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## APPENDIX J

### PROPOSAL FOR A PUPIL TRANSPORTATION PROGRAM Representative Josephus L. Mavretic, January 6, 1981

#### BACKGROUND AND ASSUMPTIONS

There is no statutory locus of responsibility for providing public school transportation in North Carolina. Most of the comments and recommendations presented to the committee were based upon the assumption, or recommendation, that the State should have the responsibility for providing transportation for all public school students to/from designated public schools.

In the interest of objectivity, the committee considered a possible solution to escalating public school transportation costs based upon an alternative assumption that: parents should have the responsibility for transporting their children to/from their designated public school. Adjunctly it was assumed that: the State of North Carolina, and its several counties, has recognized the economic burden of school transportation in the past and shall continue to assist the parents of public school students.

There are three (3) other assumptions which obtain to the discussion which follows:

1. Every mode of transportation must be safe, reliable, and cost-effective.
2. Significant future savings in school transportation costs will principally come through tightened budgets and local initiatives.
3. The annual budgeted amount for public school transportation is a sunk cost; ie., The General Assembly expects expenditure.

Discussion: Based upon the five assumptions described above, parents have three (3) alternatives to execute their responsibility to transport students to/from their designated school:

1. Use public school bus.
2. Use public transportation (bus/taxi).
3. Use private transportation (auto/van/bike/walk).

Those students who live within a safe walking distance of their school are not a transportation cost factor.<sup>1</sup>

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1. Statutes should provide flexibility in determining safe walking distance so that age and geography are considered; eg., second graders should not walk as far as high school students and there are possible distinctions between urban and rural distances.

Also, those parents who choose to transport their children at their own expense, for whatever reason, do not cause a transportation cost. Therefore, only students who ride a public school bus, or use public transportation to/from school, are a transportation cost factor, and the remaining paragraphs address only these two (2) categories of public school student.

Concept: Parents decide upon mode of transportation, either yellow school bus or public transportation and inform the local education administrative unit (LEA). The LEA budgets annually for the per pupil expenditure (PPE) for transportation for each category of student in their system.<sup>2</sup> Local and state institutions (school boards, city council county boards, and The State Board of Education (SBE) review the budgets of each LEA, based upon SBE budget guidance and criteria, and the SBE approves maximum state transportation PPE for each category of student in that LEA. The thrust of this concept is that each LEA knows its requirements better than any other agency, and that the unique needs of each LEA can, and should be, justified through the budgetary process. In the locally operated yellow school bus system, transportation PPE cost overruns are covered by local or federal funds and any transportation PPE savings are retained by the LEA's in their transportation account to be used only for future transportation needs (such as replacement buses or cost overruns). Under this concept, the state would buy the original bus and the LEA would buy replacements.

To cover the costs of students electing to use public transportation, the LEA would provide the amount approved by the SBE, for each category of student in that LEA, directly to the carrier and any additional fee would be paid directly to the carrier by the parent.

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2. "Categories of students" include those with special needs, handicaps, or living in isolation, as well as those who choose to ride yellow buses or those who choose to use public transportation.

### RECOMMENDED CONSTRAINTS

1. SBE should provide pickup interval standards and publish procedure for requesting variances.
2. No PPE for transportation will be allowed for children living within certain distances of their designated schools as defined by the LEA, and approved by the SBE, for age and location.
3. SBE shall provide portal-to-portal time criteria.
4. Minimum bus driver requirements and wages shall be set by SBE.
5. Parental transportation decisions must be made in time for budget preparation.
6. SBE reviews and approves each LEA transportation budget request before implementation.
7. Cost elements must be acceptable for comparative analysis between public and private sectors (State Auditor/SBE-Controller/G.A. Fiscal Research/LEA's/Private Contractors).
8. The state transportation PPE for each student category in LEA will be the controlling amount for public transportation assistance.
9. A percentage of the transportation budget must be reserved for demographic changes during the school year.
10. Any cost overruns are covered by the LEA tax authority.
11. SBE shall be the institution of final administrative appeal on budget.
12. SBE shall have authority to conduct unannounced evaluations of LEA transportation activities to provide assistance and ensure compliance.
13. No increase to annual SBE transportation budget except by special session of the general assembly.
14. The state will buy the first vehicle in any expansion, the LEA must replace vehicles according to SBE published requirements, i.e., age/mileage/cost of repair index, etc.

### ADVANTAGES

1. SBE gains responsibility and authority to determine maximum state PPE for transportation of all public school students.
2. LEA is rewarded for efficiency through retention of savings in PPE for transportation.
3. LEA is encouraged to maintain highest resale value of buses since it purchases replacements from local funds.
4. General Assembly has less variable public school transportation budget.
5. Public transportation is encouraged in urban areas.
6. LEA tax authorities are encouraged to closely monitor both transportation budgets and monthly transportation expenditures.
7. LEA encouraged to provide security from theft and accountability for inventories.
8. Solves current "First Bus" problem for exceptional children in some LEA's.
9. SBE review and analysis of LEA transportation budget requests takes into account local variances in cost elements due to demographics and topography.
10. SBE budget guidance shares economic estimates/projections with local authorities for better budgeting.
11. State PPE for transportation provides a target for local controls.

### DISADVANTAGES

1. Changes responsibilities/authority between state and local government.
2. LEA tax authority required to cover transportation cost overruns.
3. LEA may try to inflate costs to increase estimated PPE.
4. Creates "First Bus" problem for some LEA's.

### INCENTIVES

1. Parents may use the most acceptable mode of transportation based upon their personal economic decision.
2. PPE transportation budget savings will remain in the transportation account of the LEA to offset bus replacement/budget overrun costs.



3. Encourages actions to reduce costs. But does not institutionalize cost reductions. (Due to annual review).
4. Efficient LEA's are rewarded and inefficient ones are penalized.
5. Creates "Budget Tension" between SBE and LEA's.



## APPENDIX K

### Witnesses

The following persons addressed the committee during its deliberations:

Larry F. Allen, Assistant Superintendent, Kings Mountain District Schools, Kings Mountain, North Carolina.

Young H. Allen, Lenoir County Schools, Kinston, North Carolina.

Donald Baucom, Charlotte-Mecklenburg Board of Education, and Pupil Transportation Committee member.

Thomas Bradshaw, Secretary, North Carolina Department of Transportation.

Honorable Henry L. Bridges, North Carolina State Auditor.

Gene Causby, Executive Director North Carolina School Boards Association.

Lonnie H. Crawford, Superintendent, Macon County Schools, Franklin, North Carolina.

Theodore Drain, Director, Exceptional Children Division, North Carolina Department of Public Instruction.

Gilbert D. Dyson, Director of Transportation, Rowan County Schools, Salisbury, North Carolina.

Dennis E. Farlow, Randolph County Schools, Asheboro, North Carolina.

James L. Gearhart, Assistant Superintendent of Operations, New Hanover County Schools, Wilmington, North Carolina.

Mrs. Hilda Highfill, Fiscal Analyst, Fiscal Research Division, Legislative Services Office.

Janet Holem, North Carolina Congress of Parents and Teachers, Raleigh, North Carolina.

Harry S. Howard, Assistant Superintendent, Pupil Personnel Services, Wilson County Schools, Wilson, North Carolina.

John H. Maye, VDO-ARGO Instruments Inc., Charlotte, North Carolina.

James R. McCanless, Supervisor of Transportation, Buncombe County Public Schools, Asheville, North Carolina.

Dr. Jerome Melton, Assistant Superintendent, State Board of Education.

Ralph Moran, Director of Transportation, Guilford County School

System, Greensboro, North Carolina.

T. Harrington Morrison, Legislative Chairman, North Carolina Pupils Transportation Association, Harnett County Schools.

Sam Newman, Assistant State Auditor, Department of State Auditor.

James A. Porter, Jr., Controller, State Board of Education.

Charles H. Rivers, Chapel Hill-Carrboro City Schools, Chapel Hill, North Carolina.

R. Mike Simmons, Orange County Schools, Hillsborough, North Carolina.

Dr. Sarah Smith, Guilford County School System, Greensboro, North Carolina.

Pearson H. Stewart, Department of Transportation.

Mr. William F. Tillett, Director of Pupil Transportation, State Board of Education.

W. Reid Warren, Supervisor of School Transportation, Halifax County Schools, Halifax, North Carolina.

John A. Williams, Jr., State Budget Officer.

William R. Williams, Yellow Cab Co. of Raleigh Inc., Raleigh, North Carolina.

Joseph H. Wilson, Chairman, North-West Regional Superintendents' Council, North Wilkesboro, North Carolina.



